

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 97-411

July 7, 1997

PUBLIC UTILITIES COMMISSION
Amendment to Chapter 280
(Common Line Provision,
Section 8)

ORDER COMMENCING
RULEMAKING

WELCH, Chairman; NUGENT and HUNT, Commissioners

The Commission is instituting this rulemaking to amend Chapter 280, § 8 of the Commission's Rules (65-407 C.M.R. 280). The statutory authorities for the amendment are set forth in 35-A M.R.S.A. §§ 104, 111, 301 and 7101.

Under the current access scheme, competitive inter-exchange carriers are unable to match certain Local Exchange Carrier (LEC) optional calling plans without suffering financial loss on each minute provided. Those optional calling plans either have different time period applicabilities than normal Message Telecommunications Service (MTS) (e.g., Pine Tree) or they do not apply to calls throughout the whole state because the plans are distance limited (e.g., Circle). Access rates are set in relation to undiscounted MTS rates, and the discounts available under the access tariff are insufficient to reduce the per-minute access charges to the effective retail price level provided by these optional calling plans. The effective common line charge rate paid by competing carriers is thus higher than the effective Pine Tree and Circle Calling retail rates for customers who reach or exceed the initial block of time usage under those plans.

We propose to modify the rule to provide competitive interexchange carriers the opportunity to offer optional calling plans similar to those offered by the LECs. Under the proposal, the common line charge paid by interexchange carriers would be based on the LEC optional calling plan retail rate (less marginal cost). With this change, competing toll service providers will be able to compete for optional calling plan customers on the merits of their own economic costs.

The proposed rule change limits the availability of the lower access charge to those interexchange carriers that either "mirror" LEC optional calling plans or that offer plans that are more limited than the LEC optional calling plans. We seek comments as to whether there is any way we can allow competitive carriers the flexibility to offer differently structured optional calling plans by allowing access discounts for minutes generated

under those plans, without greatly impacting the overall level of access revenues collected by LECs.

This Rulemaking will be conducted according to the procedures set forth in 5 M.R.S.A. §§ 8051-8058. No public hearing on this matter is presently scheduled, but one will be held if requested by any five (5) interested persons. Persons wishing to request a public hearing on this rule must notify the Administrative Director, Public Utilities Commission, 242 State Street, 18 State House Station, Augusta, Maine 04333-0018 (telephone: (207)287-3831, on or before July 23, 1997.

Written comments on the proposed rule may be filed with the Administrative Director no later than August 16, 1997. Please refer to the Docket Number of this proceeding, Docket No. 97-411, when submitting comments.

In accordance with 5 M.R.S.A. § 8057-A(1), the fiscal impact of the proposed rule is expected to be minimal. It is not expected to impose an economic burden on small businesses. A more precise understanding of the fiscal impact of this rule should be possible once comments have been received. The Commission invites all interested parties to comment on the fiscal impact and all other implications of this proposed rule.

The following persons are being sent copies of this Order and the attached rule amendment:

1. All telephone utilities in the State;
2. All persons who have filed with the Commission within the past year a written request for Notice of Rulemaking;
3. The Secretary of State for publication in accordance with 5 M.R.S.A. § 8053(5); and
4. Executive Director of the Legislative Council, 115 State House Station, Augusta, Maine 04333-0115 (20 copies).

The Commission plans to conclude this rulemaking proceeding no later than September 15, 1997.

Accordingly, we

O R D E R

1. That the Administrative Director send copies of this Order and the attached proposed rule to all the persons listed

above and compile a service list of all such persons and any persons submitting written comments on the proposed Rule.

2. That the Administrative Director send a copy of the Order Commencing Rulemaking Proceeding to the Secretary of State for publication in accordance with 5 M.R.S.A. § 8053.

Dated at Augusta, Maine this 7th day of July, 1997.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent

COMMISSIONER ABSENT: Hunt